

**Health and Human Needs Committee Meeting**  
**Wednesday, September 16, 2009**  
**3:05 P.M.**  
**Third Floor, City Hall**

<b>Present:</b>	<b>Chair:</b>	<b>CM Woolridge</b>
	<b>Members:</b>	<b>CM Benson and CM Hawkins</b>
<b>Absent:</b>		<b>CM Welch (Excused), CM Shanklin</b>
<b>Also Present:</b>		<b>CW Ward-Pugh</b>

Chairman Woolridge began the meeting by announcing the members of the committee that were present. A quorum was established.

## Pending Legislation

O-148-08-09 AN ORDINANCE AMENDING SECTIONS 40.40, 40.43, AND 40.45 OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES [LMCO] RELATING TO THE AFFORDABLE HOUSING TRUST

**Status:** In Committee - Tabled  
**Committee:** Health & Human Needs  
**Primary Sponsor:** Tina Ward-Pugh  
Mary C. Woolridge

Motion to untale made by Stuart Benson and seconded by Doug Hawkins.

**Discussion:** The following people were present to speak to this item:

- Cathy Hinko, Metropolitan Housing Coalition
- Rachel Hurst, Catholic Charities of Louisville
- Tina Heavrin, Housing and Family Services
- Bill Warner, Jefferson County Attorney's Office

CW Woolridge gave a brief history of the Affordable Housing Trust and read the proposed changes as well as some proposed amendments to the ordinance, see attached. The following was discussed:

- The meaning of “will endeavor to”
  - Difference between it and “may”
  - Legal obligation
- Renewable source of public revenue
  - Board will work to create
  - Use best practices of other trusts around the nation
- How loans will work
- Allowing for profit organizations to participate
- Accountability

By a unanimous voice vote the amendment passed.

By vote this item was approved and sent to **Old Business**.

VOTING RESULTS: For: 2; Against: 1; Abstain: 0; Absent: 2

For: Stuart Benson, Mary C. Woolridge  
Against: Doug Hawkins  
Abstain: (None)  
Absent: Barbara Shanklin, Vicki Aubrey Welch

Without objection, the meeting adjourned at 4:05 p.m.

**\*NOTE: Items sent to the Consent Calendar or Old Business will be heard before the full Council at the Metro Council Meeting on September 22, 2009.**

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**ORDINANCE NO. \_\_\_\_\_ Series 2009**

**AN ORDINANCE AMENDING SECTIONS 40.40, 40.43, AND 40.45 OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES [LMCO] RELATING TO THE AFFORDABLE HOUSING TRUST. [AS AMENDED]**

**Sponsored by: Councilwoman Tina Ward-Pugh  
and Councilwoman Mary Woolridge**

**NOW BE IT ORDAINED** by the Louisville/Jefferson County Metro Council [the “Council”] as follows:

**SECTION I:** LMCO 40.40 is hereby amended to read as follows:

**§ 40.40 CREATION, MANAGEMENT AND ADMINISTRATION.**

(A) There is hereby established the Affordable Housing Trust Fund, to be held as a separate fund, for the purpose of advancing Affordable Housing opportunities. The fund shall be governed by an Affordable Housing Trust Fund Board as set out in § 40.45 of this subchapter. ~~Louisville Metro Government, by and through its Department of Finance and Administration, or its successor, may, at the direction of the Affordable Housing Trust Fund Board, be responsible for the day-to-day maintenance and management of the Affordable Housing Trust Fund operations, pursuant to the policies established by the Affordable Housing Trust Fund Board. The day-to-day fiscal maintenance and management shall be undertaken pursuant to the approved investment policies and practices used by Louisville Metro Government for other similarly held funds.~~

(B) The funding objective is to lay the foundation for an Affordable Housing Trust Fund (“the Fund”) that annually invests \$10 million dollars into affordable housing projects. A multi-year

approach will be necessary to achieve full and adequate funding for the Affordable Housing Trust Fund. The Fund shall be established as a separate, nonprofit, exempt organization under the provisions of KRS Chapter 273 and Title 26, Section 501(c)(3) of the United States Code.

**SECTION II:** LMCO 40.43 is hereby amended to read as follows:

**§ 40.43 DISTRIBUTION AND USE OF HOUSING TRUST FUND.**

(A) *Revenue source.* In addition to the initial deposit of funds, the Mayor and Metro Council ~~may~~ will endeavor to establish revenue sources and appropriate funds for deposit in the Fund from time to time. Other private monies and or donations may be accepted, however, ~~the~~ Affordable Housing Trust Fund Board shall work to create a dedicated, renewable source of public revenue.

(B) *Distribution.* The Affordable Housing Trust Fund Board will establish the policies and governance of the Trust Fund. ~~Day-to-day operations shall be done by the Department of Housing and Family Services, Affordable Housing Trust Fund Division in accordance with the requirements of this subchapter and Board policy and instructions.~~ Distribution of funds from the Affordable Housing Trust Fund shall be in the form of grants or loans or such other funding mechanisms that support the purposes of the Affordable Housing Trust Fund. Any unexpended balance of the Affordable Housing Trust Fund remaining at the close of a fiscal year shall not lapse but shall continue into the succeeding fiscal year for future eligible activities, pursuant to the requirements of this subchapter.

(C) All revenues recaptured from loans or unfulfilled grants shall be returned to the Affordable Housing Trust Fund for future use.

(D) The initial startup grant from Metro Government together with any accumulated interest shall be deposited in account administered by the Trust and spent for its purposes as provided in this ordinance. ~~At least ninety per cent [90%] of this initial grant shall be spent for other than costs of administering the Trust.~~ The Affordable Housing Trust Fund Board may in its discretion encroach on the principal of the Affordable Housing Trust Fund when necessary to administer the Trust.

**SECTION III:** LMCO 40.45 is hereby amended to read as follows:

**§ 40.45 AFFORDABLE HOUSING TRUST FUND BOARD.**

(A) *Created.* There is hereby created an Affordable Housing Trust Fund Board consisting of ~~13 fifteen [15]~~ members appointed by the Mayor and approved by the Metro Council for a term of three years, except that of members first appointed, ~~four five~~ shall be appointed for one-year terms, and ~~four five~~ shall be appointed for two-year terms. At least seven of the members appointed shall reside west of Interstate I-65 (Martin Luther King, Jr. Expressway), and at least six of the members appointed shall reside east of Interstate I-65 (Martin Luther King, Jr. Expressway). The members shall elect a chair of the Board. The members shall consist of:

(1) One member from the banking community, such as a Community Reinvestment Officer.

(2) ~~Three One members at-large with expertise in asset development.~~

(3) One eligible or current affordable housing consumer, either owner or renter.

(4) One low income housing advocate.

(5) One Metro-Council member appointed by the Metro Council President.

(6) One neighborhood association representative.

(7) One member from the Metro Government directly reporting to the Mayor with housing expertise ~~but who does not directly supervise the AHTF Metro staff.~~

(8) One non-profit developer, such as New Directions, Habitat for Humanity, or The Housing Partnership.

(9) One social service provider.

(10) One member from the Homebuilders Association of Louisville.

(11) One member from the Apartment Association of Louisville.

(12) One representative of homeless individuals.

(13) One member from the Greater Louisville Association of Realtors.

(B) *Duties.* The Affordable Housing Trust Fund Board shall:

(1) Establish and maintain an independent, professionally managed, fiscally accountable fund.

(2) Establish policies and procedures for Trust operations including disbursement of funds.

(3) Establish procedures for monitoring and evaluating the Trust's activities.

(4) Develop responsibilities for reporting to the public and elected officials by producing an annual report to the community and Metro Council including audited financial reports.

(5) Identify and pursue sources of revenue and financing for the Affordable Housing Trust Fund, leveraging local, state and federal funds with private sector investment.

(6) Coordinate the Trust activities with community-wide approaches to meeting affordable housing needs.

(7) Seek additional funds, both private and public, to support Trust activities.

(8) Ensure a timely disbursement of funds subject to a timeframe to be determined by the governing board.

(9) The Board may issue a public Request for Proposals [RFP] to solicit bids from agencies or businesses to administer the Trust.

(10) The Board may enter into a contractual arrangement with an agency selected by RFP to provide administrative support and additional resources, expertise, and benefits to the Trust and its staff.

(C) *Staffing.* ~~There shall be within the Louisville Metro Department of Housing and Family Services, an Affordable Housing Trust Fund Division, and the Office of Executive Director of the Affordable Housing Trust Fund. The Mayor shall appoint said Executive Director in accordance with the qualifications and standards established by the Louisville Metro Department of Human Resources, subject to approval of the Affordable Housing Trust Fund Board. The Executive Director will provide executive direction to and management of staff for the purposes of carrying out the responsibilities of the Trust.~~ The Board shall employ staff, including an Executive Director of the Trust, to direct the daily activities and fulfill the purpose of the Trust. The Executive Director will not be a member of the governing board. The Executive Director shall provide executive direction to and management of staff for the purposes of carrying out the responsibilities of the Trust, and shall:

(1) Operate the corporation with fiscal discipline.

(2) Develop and execute Trust operations to deliver funding grants and/or loans for affordable housing and related programs consistent with the Trust's mission and legislative mandates.

(3) Develop new fund raising strategies to grow the balance of the Trust.

(4) Prepare an annual report to the community on the Trust's activities.

(D) *Vacancies*. Vacancies shall be filled by the Mayor and approved by the Metro Council for the unexpired portion of the term.

**SECTION IV: EFFECTIVE DATE** This ordinance shall take effect upon its passage and approval.

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**Kathleen J. Herron**  
**Metro Council Clerk**

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**David W. Tandy**  
**President of the Council**

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**Jerry E. Abramson**  
**Mayor**

**Approved:** \_\_\_\_\_  
**Date**

**APPROVED AS TO FORM AND LEGALITY:**

**Michael J. O'Connell**  
**Jefferson County Attorney**

**BY:** \_\_\_\_\_